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SENATE TAXATION  
EXHIBIT NO. 8  
DATE 2-8-2013  
BILL NO. SB 208

To: Senator Bruce Tutvedt  
Senate Tax Committee

From: Brian Staley  
Corporate Tax Unit Manager

Date: February 5, 2013

Subject: Information Requests – SB 208 Repeal of Water's Edge

Following is the response to your information request regarding the Senate hearing of SB 208.

*Question: Do other states tax water's edge filers at a different tax rate than worldwide filers?*

For the seven states that require or allow worldwide combined reporting, it appears Montana and Idaho are the two states that tax water's edge filers at a higher tax rate than a corporation filing a worldwide combined return. The other five states appear to tax water's edge filers at the same tax rate as worldwide filers.

	<u>Regular Tax Rate</u>	<u>Water's Edge Tax Rate</u>
Montana	6.75%	7%
Alaska	1% to 9.4% max	1% to 9.4% max
California	8.84%	8.84%
Idaho	7.6%	7.6%
North Dakota	6.4%	6.4% plus 3.5% surtax
Utah	6%	6%
West Virginia	8.5%	8.5%